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BEFORE THE ARIZONA CORPORATION

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Arizona Corporation Commission

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JUN 16 2014

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

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COMMISSIONERSBOB STUMP - CHAIRMAN
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2014 JUN 16 P 3:46

IN THE MATTER OF THE APPLICATION OF)
TRICO ELECTRIC COOPERATIVE, INC, AN)
ARIZONA CORPORATION, FOR AUTHORITY)
TO BORROW THE ADDITIONAL SUM OF)
\$58,786,000 FROM THE UNITED STATES OF)
AMERICA (RDUP) AND THE ADDITIONAL)
SUM OF \$25,194,000 FROM NATIONAL RURAL)
UTILITIES COOPERATIVE, AND TO)
EVIDENCE SAID LOANS BY EXECUTION OF)
LOAN AGREEMENTS, PROMISSORY NOTES)
AND SECURITY DOCUMENTS REQUIRED BY)
THE LENDERS.)

DOCKET NO. E-01461A-07-0433

APPLICATION UNDER
A.R.S. § 40-252 TO
AMEND DECISIONS NOS. 70399
and 73933

(Expedited Consideration
Requested)

ORIGINAL

Trico Electric Cooperative, Inc. ("Trico") hereby requests the Arizona Corporation Commission to amend Decision Nos. 70399 (July 3, 2008) and 73933 (June 27, 2013) to extend the financing authority granted in those Decisions for twelve months -- from July 31, 2014 until July 31, 2015. Due to the economic downturn, Trico's construction needs have slowed and certain available Rural Utilities Service ("RUS") financing will not be fully utilized by the end of July 2014. However, Trico has and will have a continuing need for construction financing and desires to utilize the remaining RUS funding that was the subject of Decision Nos. 70399 and 73933.

In support of this Application, Trico states as follows:

1. On July 23, 2007, Trico filed an application in this docket for authorization to borrow \$83,979,000 from the United States of America through the RUS.
2. The RUS financing was intended to cover the construction of additional and supplemental facilities to meet expected growth in Trico's service area and to allow Trico to maintain its plant in sound condition to be able to continue to provide safe and reliable electric

1 service. The proposed RUS financing consisted of a 35-year amortizing loan that permitted
2 multiple draws over an estimated five-year period.

3 3. The Commission approved the requested financing authority, subject to certain
4 conditions, in Decision No. 70399. One of the conditions was that the financing authority granted
5 would terminate on December 31, 2013. This termination date comported with the anticipated
6 five-year construction work plan that would be built with the RUS financing.

7 4. In light of Decision No. 70399, Trico entered into an RUS Loan Contract dated
8 July 1, 2008, under which the RUS issued a guarantee of a loan in the amount of \$83,979,000 to
9 be used by Trico to finance certain system extensions and improvements ("RUS Loan Contract").
10 The RUS Loan Contract had a termination date of July 31, 2013.

11 5. Due to the unforeseen downturn in the local economy and the resulting delay in the
12 completion of planned system extensions and additions, Trico was not able to complete the
13 construction plan within the anticipated five years. As of December 31, 2012, Trico had borrowed
14 \$41,500,000 of the \$83,979,000 under RUS Loan Contract. However, Trico still has and will have
15 a continuing need for advances of the remaining balance under RUS Loan Contract to fund its
16 construction work plans beyond the July 31, 2013 termination date. As a result, Trico sought an
17 extension of the RUS Loan Contract.

18 6. In light of the RUS Loan Contract extension, Trico filed an application under
19 A.R.S. § 40-252 to amend Decision No. 70399 to extend the financing authority until July 31,
20 2014. The Commission granted the application in Decision No. 73933.

21 7. Although Trico received the extension of the RUS Loan Contract, Trico has still
22 not completed the construction plan due to the unexpectedly slow economic recovery in Trico's
23 service area. As of April 8, 2014, Trico had borrowed \$53,050,000 of the \$83,979,000 under RUS
24 Loan Contract. However, Trico still has and will have a continuing need for advances of the
25 remaining balance under RUS Loan Contract to fund its construction work plans beyond the July
26 31, 2014 termination date. As a result, Trico has sought an additional extension of the RUS Loan
27 Contract.

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6. Trico has received tentative approval from the RUS to extend the loan until July 31, 2015. However, RUS has informed Trico that Trico must obtain necessary regulatory approval by June 25, 2014 in order for the RUS extension to be effective. In order for Trico to access funds under this extension, Trico is now requesting the Commission to extend the financing authority granted in Decision Nos. 70399 and 73933 from July 31, 2014 until July 31, 2015.

7. The RUS Loan Contract provides an economic source of financing for cooperatives such as Trico. Trico submits that it is in the public interest to extend the financing authority granted in Decision Nos. 70399 and 73933 to allow Trico continued access to financing under the RUS Loan Contract.


Relief Requested

Pursuant to A.R.S. 40-252, Trico requests that the Commission re-open Decision Nos. 70399 and 73933 for the sole and limited purpose of extending the termination date for the financing authority from July 31, 2014 to July 31, 2015.

Trico also requests that the Commission grant this application at the Commission's July 22, 2014 open meeting. Trico hereby waives the 10-day exception period to facilitate the expedited consideration of this Application.

RESPECTFULLY SUBMITTED this 16th day of June 2014.

TRICO ELECTRIC COOPERATIVE, INC.

By 
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Original and 13 copies of the foregoing
filed this 16th day of June 2014 with:

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Docket Control
Arizona Corporation Commission
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Phoenix, Arizona 85007

Copy of the foregoing hand-delivered/mailed
this 16th day of June 2014 to:

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By *Jacklyn Howard*